

MANKO | GOLD | KATCHER | FOX LLP

AN ENVIRONMENTAL LAW PRACTICE

January 9, 2006

JOSEPH M. MANKO
MARC E. GOLD
BRUCE S. KATCHER**
NEIL S. WITKES*
MICHAEL M. MELOY
ROBERT D. FOX
JILL HYMAN KAPLAN
JONATHAN E. RINDE*
JOHN F. GULLACE*
BART E. CASSIDY*
BRENDA HUSTIS GOTANDA*
JONATHAN H. SPERGEL*
RODD W. BENDER*
CAROL F. MCCABE*
TODD D. KANTORCZYK
NICOLE R. MOSHANG*
MICHAEL C. GROSS*
KATHLEEN B. CAMPBELL*
REBECCA C. BODNER*
BRIDGET L. DORFMAN*

TECHNICAL CONSULTANTS
DARRYL D. BORRELLI
CARA L. FOX

401 CITY AVENUE
SUITE 500
BALA CYNWYD, PA 19004
484 430 5700 TEL
484 430 5711 FAX
WWW.MGKFLAW.COM
WWW.MGKFBROWNFIELDS.COM

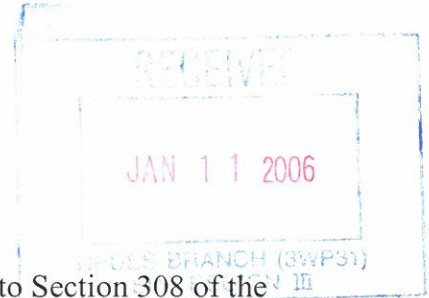
CHERRY HILL, NJ
PHILADELPHIA, PA

*ADMITTED IN NJ AND PA
**PARTNER RESPONSIBLE FOR NJ

OTHER ATTORNEYS ADMITTED IN PA ONLY

Via Overnight Mail

Mr. Charles Schadel (32P31)
U.S. Environmental Protection Agency
Water Protection Division
Office of Compliance and Enforcement
NPDES Branch
1650 Arch Street
Philadelphia, PA 19103



Re: Request for Information Pursuant to Section 308 of the
Clean Water Act Issued to Hovnanian Enterprises, Inc.

Dear Mr. Schadel:

In conformance with the Request for Information Pursuant to Section 308 of the Clean Water Act (the "Section 308 Request") and sent by the United States Environmental Protection Agency - Region III dated November 2, 2005, enclosed please find (1) "General Qualifications and Objections to the Information Requested Pursuant to the Section 308 Request," (2) "Response to the Section 308 Request," and (3) copies of certifications. As you know, copies of all responsive documents for Questions 1 through 4, inclusive, of the Section 308 Request were sent to you, copy to Ms. Rivera, under separate cover today via hand delivery.

Sincerely,

Jonathan E. Rinde
For MANKO, GOLD, KATCHER & FOX, LLP

JER/pc
Enclosures

cc: Nina Rivera, Esquire (w/enclosure) Via overnight delivery



General Qualifications and Objections to the Information Requested Pursuant to the Section 308 Request.

Hovnanian Enterprises, Inc. and the responding operating entities hereby assert the following qualifications and objections ("General Objections") to the information requested by the U.S. Environmental Protection Agency ("EPA") in its letter to Hovnanian Enterprises, Inc. dated November 2, 2005 (the "Section 308 Request").

A. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request in that the questions set forth therein are overbroad, unreasonable, seek to obtain information not related to any objective of the Clean Water Act's permitting program, and are beyond the scope of EPA's authority pursuant to Section 308.

B. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request as it purports to require supplements to these responses in the future if, for example, newly developed information becomes known or if these responses, or any portion thereof, becomes false, incomplete or misrepresentative of the facts. Notwithstanding this objection, the responding operating entities will endeavor to notify EPA if they determine, on the basis on information discovered after the submittal of these responses, that any of these responses are incorrect. However, the responding operating entities will not endeavor to continually provide EPA with updated responsive information.

C. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request in that it seeks to reveal information that is protected from disclosure by the attorney-work product privilege, the privilege associated with attorney-client communications, and/or other applicable privileges.

D. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request as it purports to require the submission of documents to EPA that contain information that is responsive to a question, even though such documents may provide no further information regarding the question other than the response or other documents provided.

E. Hovnanian Enterprises, Inc. and the responding operating entities object to the Section 308 Request to the extent that it uses terms and phrases that are undefined and can be interpreted in several ways. In each such instance, we have attempted to give the undefined term a common meaning given the context in which the term is used.

F. Hovnanian Enterprises, Inc. and the responding operating entities submit this response subject to a claim of "Confidential Business Information" as set forth in EPA's regulations. All of the information, and copies of documents, submitted herein is proprietary and have been, and will continue to be, kept confidential. Release of the information and/or responses contained herein will cause substantial harmful effects to the competitive position of Hovnanian Enterprises, Inc. and the responding operating entities.

G. Hovnanian Enterprises, Inc. and the responding operating entities object to the purported requirement that a single individual certify to each or all of the responses. Because of

***PROPRIETARY - DO NOT DISCLOSE
CONFIDENTIAL BUSINESS INFORMATION***

the breadth of the questions posed in the Section 308 Request, in many instances the responses have been derived from information obtained from a number of individuals in different divisions and operating entities over the sixty (60) day time period EPA allowed for a response, with no one individual having the requisite "personal" knowledge for the entire response as is purportedly required by EPA's proffered certification language. In addition, some of the information contained herein was collected and prepared by counsel and derived from project or company records. Lastly, some project managers are newly assigned to a particular project, and lack any direct historical knowledge of the matters requested. The certifications provided with this response are further limited to the personal knowledge of the signatory, who is generally the project manager or community builder of the project or projects identified in the certification.

H. As set forth in Section B of the Section 308 Request, each of the five (5) questions requests copies of certain specified documents. A narrative response, as required by Instruction A.1, has not been requested for any of the five (5) questions, and therefore only a short explanation of the responsive documents is provided.

I. Instruction A.2. requests the identification of each person responding to a question, as well as the identification of each person consulted in the preparation of a response to each question. As set forth in H. above, no narrative response has been requested, only copies of documents. The documents enclosed herewith may have been gathered, obtained and/or copied by clerical or other staff, and their identification would be unreasonable and therefore objectionable. As set forth in G. above, Hovnanian Enterprises, Inc. and the responding entities generally have tasked the current project manager for each development with retrieving the documents requested. Generally, these project managers have also provided the certification for their respective developments. In addition to the project managers and clerical and other staff, consulting engineers, consultants, counsel and field personnel may have assisted in the retrieval of the requested documents, and consulted in the preparation of this response.

J. Hovnanian Enterprises, Inc. and the responding entities object to the Instruction found at A.3. purportedly requiring copies of each copy that is not an exact duplicate of a document provided, each copy with writing on it, drafts, attachments or enclosures, and every other document referred to or incorporated into each document. The Section 308 Letter request specific documents which, if in existence and located, have been provided with this response. Many of the documents may refer to other documents (e.g., local permits or approvals, construction documents) that have no relationship to EPA's authority under the Clean Water Act. Given the breadth of documents requested by EPA, and the limited time which was given to produce them, documents not specifically specified in a question (including drafts, copies with notations, etc.) have not been provided.

K. The Section 308 Letter requests that the information demanded is to be sent to Mr. Chuck Schadel, with a copy to Ms. Nina Rivera. We have complied with this request, and note that while Mr. Schadel has been sent a copied set of all documents, including full-size plans, Ms. Rivera has received copies of the title block to any of the full-size plans, along with copies of all the other documents sent to Mr. Schadel.

***PROPRIETARY - DO NOT DISCLOSE
CONFIDENTIAL BUSINESS INFORMATION***

L. Hovnanian Enterprises, Inc. and the responding operating entities note that the response to the Section 308 Letter has been compiled over the sixty (60) day response time allowed by EPA. Many of the projects identified in the Section 308 Letter are dynamic and changing. Therefore, even though the certifications enclosed herewith include a specified date, information related to that certification may have been compiled up to sixty (60) days earlier.

M. In accordance with a conversation between counsel and Nina Rivera, Esq., Question #5 in the Section 308 Letter has been clarified, and the deadline for a response to this question extended until January 18, 2006.

N. Most, but not all, of the certifications requested have been supplied herewith. In a separate letter, the remaining certifications will be sent to EPA.

O. Hovnanian Enterprises, Inc. and the responding operating entities reserve the right to assert additional objections.

Response to the Section 308 Request

Hovnanian Enterprises, Inc. and the responding operating entities hereby respond to the Request for Information Pursuant to the Section 308 of the Clean Water Act set forth in a letter from the U.S. Environmental Protection Agency - Region III ("EPA") dated November 2, 2005 (the "Section 308 Letter"). These response are subject to, and qualified by, the "General Qualification and Objections to the Information Requested Pursuant to the Section 308 Request" which accompanies this response.

1. Provide the signed application used to obtain NPDES permit coverage, the Storm Water Pollution Prevention Plan, the final approved Erosion and Sedimentation Control Plan, copies of all self-inspection reports, copies of all County or State inspection reports in your possession, copies of all orders issued to stop work at the site, and copies of all enforcement actions from the beginning of construction to the present or conclusion, for each of the following construction sites:

- a. Coppermine Crossing (Oak Hill, VA)
- b. Four Seasons - Historic Virginia, Phase 1, Sec. 2 (Prince William Co., VA)
- c. Four Seasons - Historic Virginia, Phase 6, Sec. 1 (Prince William Co., VA)
- d. Meadows of Culpepper (Culpepper Co., VA)
- e. Perry Farms (Stafford Co., VA)
- f. Ridgeview Estates (Loudon Co., VA)
- g. Saratoga Hunt (Prince George's Co., VA)
- h. Vint Hill (Warrington, VA)
- i. Farmington (Macungie, PA)
- j. The Hills at Lockridge (Macungie, PA)
- k. Brandywine-Chaddsford (Prince George's Co., MD)
- l. Linwood Knolls (Prince George's Co., MD)
- m. Sun Meadow (Montgomery Co., MD)

Response : For the thirteen (13) projects listed, copies of all responsive documents were hand-delivered to Mr. Chuck Schadel, with a copy to Nina Rivera, Esquire, on January 9, 2006. As requested in the Section 308 Letter, under separate cover, responsive documents were organized in files labeled with each project's name.

Please note that three (3) of the listed developments, namely Farmington (Macungie, PA) the Hills at Lockridge (Macungie, PA), and Vint Hill (Warrington, VA) could be considered "finished lot" projects because they were purchased following the issuance of a NPDES permit to the ground owner who is an entity unrelated to Hovnanian Enterprises, Inc. The responsive information for these three (3) developments have provided in response to this question, however.

2. For the construction site known at "Woods at North Hampton," in Ivyland, PA, provide copies of all self-inspections reports from the beginning of construction to the present.

Response : Copies of the available self-inspection reports for the Woods at North Hampton for the specified time period were hand-delivered in a marked file under separate cover to Mr. Chuck Schadel, with a copy to Nina Rivera, Esquire, on January 9, 2006.

3. For the construction site known at Byers Station, in Chester Springs, PA, provide copies of all self-inspections reports from March 2005 to the present.

Response : Copies of the available self-inspection reports for Byers Station for the specified time period were hand-delivered in a marked file under separate cover to Mr. Chuck Schadel, with a copy to Nina Rivera, Esquire, on January 9, 2006.

Please note that the development at Byers Station is being undertaken by two other homebuilders in addition to the operating entity affiliated with Hovnanian Enterprises, Inc..

4. For the following sites, provide a copy of the signed application used to obtain NPDES permit coverage, including all supporting documents, and copies of all letters approving or denying the permit, or indicating deficiencies in the NPDES application, copies of all County or State inspection reports in your possession, copies of all orders issued to stop work at the site, and copies of all enforcement actions, for each of the following construction sites:

- a. Asburn Village (Asburn, VA)
- b. Eagles Point 1 (Woodbridge, VA)
- c. Eagles Point 3 (Woodbridge, VA)
- d. Eagles Point 5 (Woodbridge, VA)
- e. Forest Run II (Prince George's Co., MD)
- f. Fox Chase (Prince George's Co., MD)
- g. Garrison Woods (Triangle, VA)
- h. Lake Terrapin 10 (Prince William Co, VA)
- i. Rustic Ridge (Prince George's Co., MD)

Response : For the nine (9) projects listed, copies of all responsive documents at were hand-delivered under separate cover to Mr. Chuck Schadel, with a copy to Nina Rivera, Esquire, on January 9, 2006. As requested in the Section 308 Letter, documents were organized in files labeled with each project's name.

5. For the sites identified on your June 3, 2005 response as "Finished Lot Projects," (see Attachment #2 for the names of those "Finished Lot" sites), provide:

- a. the name of the site developer and operator (or the person that Hovnanian believes was responsible for obtaining any necessary permits, if different); and
- b. the total area with the site which Hovnanian owned, as well as the total area in which Hovnanian building activities took place regardless of who owned the lot(s).


Response : As per a conversation between counsel and Nina Rivera, Esquire, EPA clarified this request and granted an extension of time to respond until January 18, 2006.

**For Information Presented in the Response to
the Section 308 Request
on**

BRANDYWINE - CHAODSFORD

(attach separate sheet if more than one project identified)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.


Signature

MIKE IRONS
Print Name


1/6/05
Date

**For Information Presented in the Response to
the Section 308 Request
on**

LINWOOD KNOLLS

(attach separate sheet if more than one project identified)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.


Signature

MIKE IRONS
Print Name

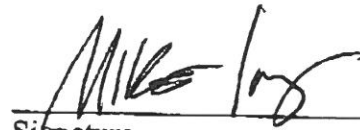
1/6/05
Date

**For Information Presented in the Response to
the Section 308 Request
on**

SUN MEADOW

(attach separate sheet if more than one project identified)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.


Signature

MIKE IRONS
Print Name


1/6/05
Date

**For Information Presented in the Response to
the Section 308 Request
on**

FOREST RUN II

(attach separate sheet if more than one project identified)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.


Signature

MIKE IRONS
Print Name

1/6/05
Date

**For Information Presented in the Response to
the Section 308 Request
on**

FOX CHASE

(attach separate sheet if more than one project identified)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Mike Irons
Signature

MIKE IRONS
Print Name


1/6/05
Date

**For Information Presented in the Response to
the Section 308 Request
on**

RUSTIC RIDGE

(attach separate sheet if more than one project identified)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.


Signature

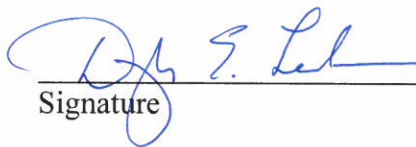
MIKE IRONS
Print Name

1/6/05
Date

**For Information Presented in the Response to
the Section 308 Request
on**

Woods at Northampton (Ivyland, PA)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.


Signature

Douglas Leach, Community Manager

Print Name

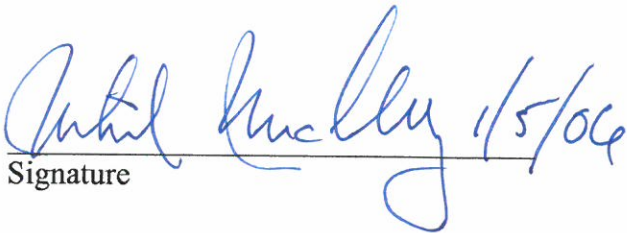
Date

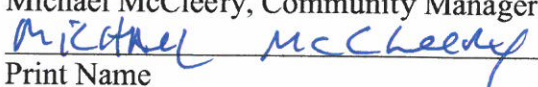
1/4/06

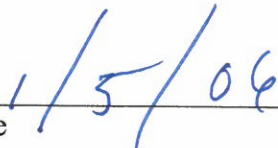
**For Information Presented in the Response to
the Section 308 Request
on**

Byers Station (Chester Springs, PA)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

 1/5/06
Signature


Michael McCleery, Community Manager

Print Name


Date

**For Information Presented in the Response to
the Section 308 Request
on**

Farmington (Macungie, PA)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

 1/5/06

Signature

Keith Kling, Community Manager

Print Name

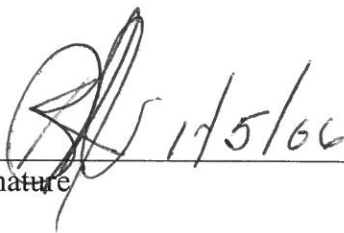
1/5/06

Date

**For Information Presented in the Response to
the Section 308 Request
on**

The Hills at Lockridge (Macungie, PA)

I certify that the foregoing response on the above-referenced project(s) were prepared under my direction or supervision and that I have personal knowledge of all matters set forth in the responses. I certify that the response on the above-referenced project(s) contained in this submission is true, accurate, and complete, to the best of my knowledge and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.


Signature

Keith Kling, Community Manager

Print Name



Date